



United Domestic Workers of America

Affiliated with NUHHCE, AFSCME, AFL-CIO

Statement to California Performance Review

**September 17, 2004
Fresno, California**

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**Statement of Ann Sutherland, Ph.D.
Chief Consultant, Budget and Policy Analysis
September 17, 2004**

Commission members and staff, I am Ann Sutherland, Chief Consultant for Budget and Policy for United Domestic Workers of America. We appreciate the opportunity to speak about the changes you are proposing to California's In-Home Support Services program, which serves 359,000 low-income aged and disabled Californians. My comments today are an abbreviated version of written comments submitted to this body.

By law, in-home care is what enables our elderly and disabled to live safely at home as they prefer. Because it is much less expensive, costing approximately one-fifth of nursing home and institutional care, home care also conserves scarce tax dollars. As such, the IHSS program presents government with the rare opportunity to merge sound fiscal policy with a popular social goal. The success of California's IHSS program is one reason our nursing home utilization and costs are among the nation's lowest.

United Domestic Workers of America and SEIU represent California's home care workers who care for clients under the IHSS program. UDW's commitment to improving the IHSS program so that it achieves an even better balance of its fiscal and social goals and improves the lives of these workers and IHSS clients is long, consistent and very well known in Sacramento.

We sponsored AB1682 of 1999, whose landmark IHSS employer of record provision had 67 co-authors from both sides of the aisle and both houses. This reform requires counties to establish an administrative structure to ensure IHSS program accountability, eliminate fragmentation of service delivery, implement necessary program standards for screening and training homecare workers and to provide an orderly process for labor relations. IHSS Employers of Record also make it possible for counties and the state to avoid fiscal and legal exposure should client abuse be alleged.

This year, Governor Schwarzenegger was able to obtain a waiver of Medi-Cal restrictions, yielding a \$1.7 billion increase in the federal contribution to the state's IHSS program and making his initial proposed reductions in service unnecessary. UDW was one of the first to propose that this waiver be sought. We also proposed numerous additional measures to improve accountability, cost effectiveness and service delivery, several of which were adopted by the Administration. We have supported every sensible IHSS reform of the last two decades that offered the possibility of improving IHSS fiscal policy or its social goals.

If these CPR proposals meet this standard UDW will likewise offer its support and advocacy. In order to determine this, we must know more about how your proposals would:

- Ensure an adequate supply of trained workers in each county by continuing to maintain the provider registries currently available through Public Authorities;
- Impact worker wages and the local collective bargaining process in each of California's 58 counties. We know that the incremental rise in wage standards for IHSS workers, who still only earn an average of \$8.50 to \$10.00 per hour, has

been an effective tool in stabilizing the workforce, reducing dangerously high turnover and improving service delivery. Any reduction in these standards would reverse this progress and increase program costs;

- Strengthen and protect current program guarantees for consumer input;
- Affect the implementation of the Quality Assurance Initiative; and
- Impact the actual cost of the program.

The Legislative Analyst indicates that cost savings may not be nearly as high as initially projected for these CPR proposals. We would like specific information on the assumptions and analysis that produced the estimated savings in IHSS.

On August 20, 2004 UDW submitted questions about the impact of these IHSS proposals in 8 specific program areas, including those just mentioned. We look forward to learning more about your plans to improve this vital program in the weeks and months ahead and expect to be an active participant in this process.

Thank you for the opportunity to share these ideas with you.
